

FISCAL MEMORANDUM

SB 3023 – HB 3301

March 3, 2008

SUMMARY OF AMENDMENT (014333): Enacts the “Tennessee Advanced Placement (A.P.) Incentive Program Act of 2008.” Subject to appropriation, authorizes the state to pay for all or part of A.P. test fees. Establishes state-funded instructional grants for classroom equipment and instructional materials for A.P. courses.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – Exceeds \$1,702,500

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - Exceeds \$1,514,600

Assumptions applied to amendment:

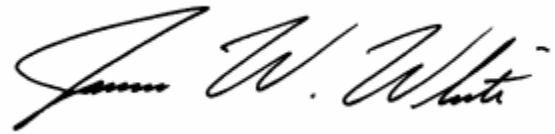
- According to the Comptroller, 279 schools participated in the A.P. program in 2007 with 13,176 students taking approximately 21,259 A.P. tests. Each A.P. test costs \$84 per test.
- There will be no increase in the number of students taking A.P. courses beyond the average growth rate of one percent per year. In the 2008-09 school year, approximately 13,308 students will participate in the A.P. program and each student will take approximately two tests per year.
- The total cost for A.P. tests will be approximately \$2,235,744 (26,616 tests x \$84 = \$2,235,744).
- According to the Department of Education, the state receives a federal grant of approximately \$113,800 per year to pay A.P. test fees for some low-income students. This grant will cover approximately 677 students if all students take two tests. Total cost is offset by the federal grant. Cost as offset by the grant is \$2,121,944 (\$2,235,744 - \$113,800 = \$2,121,944).
- It is assumed that the State Board of Education will implement a sliding income-based scale to determine a reduction in student test fees. It is assumed that this reduction in test fees will be one-third of the total cost for exams. The state will pay for two-thirds of the total cost for A.P. exams.

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- Total cost as offset by the sliding scale is \$1,414,629 ($\$2,121,944 - \$707,315 = \$1,414,629$).
- Grants for classroom materials and equipment will be subject to legislative appropriation and are estimated to exceed \$100,000 per year.
- The total increase in state expenditures is estimated to exceed \$1,514,629 ($\$1,414,629 + \$100,000 = \$1,514,629$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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